

## **MINUTES**

### **REDEVELOPMENT AUTHORITY OF THE CITY OF FOND DU LAC REGULAR MEETING WEDNESDAY, FEBRUARY 20, 2013**

**City/County Government Center, Meeting Room D & E  
7:30 a.m.**

1. Teletzke called the meeting to order at 7:30 a.m. The meeting was held in Room D & E of the City/County Government Center, 160 S. Macy Street, Fond du Lac, Wisconsin.

2. Wegner called the roll

Present

Absent

Richard Ewald  
Greg Giles  
Mary Gilles  
Karyn Merkel  
Lee Ann Lorrigan  
Leo Udee  
Doug Teletzke

Wegner declared a quorum present

Staff in attendance:

Wayne Rollin, Community Development Director  
Dyann Benson, Redevelopment Planner  
Debbie Wegner, Community Development Specialist

Others Present:

None

3. Approval of Minutes

- A. Open and Closed Session Minutes from the Regular Meeting of  
January 10, 2013

Lorrigan made a motion to approve the minutes of the regular meeting of January 10, 2013; seconded by Ewald. Motion carried.

B. Approval of Financial Statements

(1) Redevelopment Authority Monthly Financial Statement – February 2013

Wegner and Benson reviewed the reformatted Monthly Financial Statement.

Udee made a motion to approve the February Financial Statement; seconded by Giles. Motion carried.

4. New Business

A. Resolution No. 13-04 – A Resolution Authorizing the Conversion of the Property to a Homeownership Opportunity as Part of the Neighborhood Stabilization Program

Benson reviewed that in March 2012 the Redevelopment Authority (RDA) approved the acquisition of the property located at 132 W. Arndt Street for the rehabilitation and donation to the Salvation Army for its Permanent Supportive Housing Program. The rehabilitation of the house was substantially completed in January 2013.

She indicated that the Salvation Army has experienced some organizational and staffing changes over the last few months and has been unresponsive to staff's contact efforts. At this time, staff is requesting RDA approval to convert this property from a donation to Salvation Army for their Permanent Supportive Housing Program to a homeownership opportunity under the Neighborhood Stabilization Program.

She reviewed that the home would be offered for sale to a household that is at or below 50% County Median Income. Staff will continue to work with the Salvation Army for any future partnership opportunities.

Merkel made a motion to approve Resolution No. 13-04; seconded by Gilles. Motion carried.

B. Resolution No. 13-05 – A Resolution Approving the Military Follett Pump Station Improvements Project as a Public Facilities Activity Using Program Year 2009, Program Year 2010, and Program Year 2011 Community Development Block Grant (CDBG) Funds

Benson reviewed that in January 2013 the RDA approved reallocating \$200,000 from Blight Elimination to Public Facilities. Staff has been working with the Engineering Department to identify a potential project that would meet the CDBG eligibility requirement.

The proposed activity is the Military Follett Pump Station Improvements. This project would include the installation of new pumps and a generator at the pump station that serves the Military Follett Stormwater Drainage Basin in which a large section includes a low-moderate income residential neighborhood. CDBG funding would be used for the purchase of the pump and generator.

Udee made a motion to approve Resolution No. 13-05; seconded by Ewald.  
Motion carried

C. Resolution No. 13-06 – A Resolution Authorizing the “Write – Off” of Uncollectible Loans

Benson reviewed that the City Comptroller’s office has requested the RDA to “write-off” for accounting purposes six loan accounts. All of these loans involved mortgage foreclosures brought by the first mortgage holder and/or bankruptcy. She reviewed that some have already been sold at a sheriff’s sale, but that the proceeds were insufficient to fully satisfy the RDA’s mortgage balance.

Benson also indicated that one property was sold on a short sale and the RDA agreed to a reduced payoff amount.

Benson stated that these write-offs will not jeopardize any future CDBG funding. However, it will result in less funding in the revolving loan fund account.

Lorrigan made a motion to approve Resolution No. 13-06; seconded by Ewald.  
Motion carried

D. Update on Timeliness Ratio

Benson reviewed that CDBG regulations require not more than 1.5 times of a grantee’s funding can be available for activities. She indicated that the City of Fond du Lac’s deadline to meet its timeliness ratio was January 30, 2013. She is happy to announce that the goal has been met, and on January 24, 2013 the City’s ratio was at 1.417.

E. Update on PY 2013 Annual Action Plan Submittal

Benson indicated that the PY 2013 Annual Action Plan was submitted to the U.S. Department of Housing and Urban Development on February 12, 2013. She stated that review of the plan may take until May or June; with funding typically received by June or July for each new Program Year.

She also reviewed that because the City has received many public service requests an Allocation Policy will need to be established. The new policy will be presented for review at a future RDA meeting.

F. Adjourn into Closed Session

Lorrigan made a motion to adjourn into closed session. Merkel seconded the motion and the roll call vote was as follows: Ewald, aye; Giles, aye; Gilles, aye; Lorrigan, aye; Merkel, aye; Teletzke, aye; Udee, aye. Motion carried.

G. Reconvene into Open Session Immediately Upon Conclusion of the Closed Session

Udee made a motion to reconvene into open session. Lorrigan seconded the motion and the roll call vote was as follows: Ewald, aye; Giles, aye; Gilles, aye; Lorrigan, aye; Merkel, aye; Teletzke, aye; Udee, aye. Motion carried.

H. Resolution No. 13-07 – A Resolution Approving Residential Rehabilitation Loans Under the Community Development Block Grant Program and/or HOME Programs

Lorrigan made a motion to approve Resolution No. 13-07; seconded by Ewald. Motion carried.

I. Action on Request for Subordination – Loan No. 03.26

Udee made a motion to approve the subordination request for Loan No. 03.26; seconded by Giles. Motion carried.

J. Action on Request for Subordination – Loan No. 02.26

Ewald made a motion to deny the subordination request on Loan No. 02.26; seconded by Lorrigan. Motion carried.

K. Action on Request to Transfer Loan Account from Joint Ownership to Single Ownership – Loan No. 09.01

Udee made a motion to approve the transfer of Loan No. 09.01 from joint ownership to single ownership; seconded by Merkel. Motion carried.

L. Action on Mortgage Assumption Agreement – Loan No. 04.24

Merkel made a motion to approve the Assumption Agreement on Loan No. 04.24; seconded by Giles. Motion carried.

M. Discussion Regarding Assumption of Mortgage's and the Collection of an Assumption Fee

Benson reviewed that the RDA recently received two requests for an assumption of mortgage. She noted that the RDA has not dealt with this issue before and that an Assumption Policy will need to be drafted. This issue is not addressed in the Guidelines and Procedure Manual. As usual any potential Assumption Agreement would be brought before the RDA for review. The collection of an assumption fee was also discussed and directed staff to present a revised fee schedule for the next meeting.

5. Correspondence - None

6. Other Matters as are Authorized by Law

7. Motion to Adjourn

The Authority adjourned by unanimous consent at 7:59 a.m.

Respectfully submitted,

Debbie Wegner  
Community Development Specialist

**MINUTES  
REGULAR MEETING  
REDEVELOPMENT AUTHORITY OF THE  
CITY OF FOND DU LAC**

**WEDNESDAY, FEBRUARY 20, 2013  
CLOSED SESSION**

Present

Absent

Richard Ewald  
Gregg Giles  
Mary Gilles  
Karen Merkel  
Lee Ann Lorrigan  
Doug Teletzke  
Leo Udee

The Chairman declared a quorum present.

Staff in attendance:

Wayne Rollin, Community Development Director  
Dyann Benson, Redevelopment Planner  
Debbie Wegner, Community Development Specialist

Others in attendance:

None

One loan being considered for approval under the CDBG and/or HOME Program was reviewed. Also discussed were two loan subordination requests. A request to transfer a loan account from joint ownership to single ownership and a Mortgage Assumption Agreement were also reviewed.

Respectfully submitted,

Debbie Wegner  
Community Development